



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
WASHINGTON, D.C. 20460

MAR 5 2002

OFFICE OF  
SOLID WASTE AND EMERGENCY  
RESPONSE

The Honorable Charles E. Grassley  
Ranking Member  
Committee on Finance  
United States Senate  
Washington, DC 20510

Dear Senator Grassley:

Thank you for your letter of January 18, 2002, requesting information on the cleanup costs of the Hart Senate Office Building. We appreciate your support and interest in the Agency's activities. Rather than waiting until all of the invoices/bills have been received, we are providing you with the information available to date on the Capitol Hill Anthrax Site.

In your letter, you asked several questions related to the funding and costs of cleanup activities at the Hart Building. The Hart Building was part of the Capitol Hill Anthrax Site, which encompasses over thirty buildings. The Environmental Protection Agency (EPA) conducted the work using the authority of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA or Superfund) and funding from the Superfund program budget. In the Supplemental Appropriations provided to the Agency for Fiscal Year 2002, the Congress appropriated \$21 million to be used for the purpose of reimbursing EPA for nationwide anthrax-related costs. At that time, the Agency estimated for the Congress that of the \$21 million, EPA would use \$12.5 million to partially reimburse the Superfund program for expenses the Agency had incurred cleaning up the Capitol Hill Anthrax Site. Our work at other buildings that are part of the Capitol Hill Anthrax Site continues and the Agency continues to incur costs. As of February 22, 2002, we have obligated over \$23 million for this effort against an approved ceiling of \$25 million. Until we have completed all work on the other buildings and received invoices/bills from all contractors involved in this effort, we will not know what the final cost will be for cleaning up the Capitol Hill Anthrax Site. We hope to know the final costs for the project by June 2002.

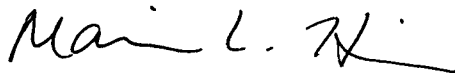
You also inquired about how EPA determines what we pay our contractors for the work they provide. Contractors are paid based upon the terms established in advance in each individual contract and consistent with procurement regulations. At the Capitol Hill Anthrax Site, EPA used service contractors who are primarily paid by the hour for work performed and supply contractors who are paid a fixed price for the items provided. On-Scene Coordinators (OSC) monitor contractor personnel on-site and are required to review contractor invoices before payment is made by EPA. In Region 3, EPA has assigned Site Administrative Officers (SAO) to

assist the OSC with the review of contractor cost reports and invoices. The SAO compares this information to rosters of personnel, equipment, supplies, and work performed, then recommends to the OSC approval or disallowance of some or all of the costs. Charges for food and housing are specifically governed by the Federal Travel Regulations, which stipulate hotel costs cannot exceed \$119 and food cannot exceed \$46 per day in the Washington, DC area. Contractors document their costs for these items by providing receipts. Costs for airfare were generally high, since requests for additional personnel usually included an immediate response time.

You also requested information concerning how contractors were selected. The Agency used three types of contracting vehicles to acquire contractor services for the Capitol Hill Anthrax Site. For much of the work, EPA was able to utilize existing contracts which had been competitively awarded to support the Agency's emergency response program. Requests for Proposals (RFPs) for these contracts were issued at various points in time, most of them well before the Capitol Hill anthrax incident. For materials or services not covered/supplied under the existing emergency response contracts, EPA relied on existing General Services Administration (GSA) schedule contracts. In some instances, EPA determined that only one vendor could provide the service or product needed to meet the needs of the Agency and could not be timely procured under either the existing EPA or GSA contracts. When this occurred, EPA used sole source acquisitions, which EPA has the authority to award under emergency conditions consistent with procurement regulations. Some of the sole source acquisitions were recommended by the Defense Advanced Research Projects Agency and/or the Capitol Police Board Incident Commander. Detailed information about each contract, including the name of the company and the type of service provided to date, is included in the enclosed table. The costs column represents either estimated costs as of February 22, 2002, or the price of a firm fixed price procurement. Actual final costs are not available, as work is not complete and all invoices have not been received.

Thank you for your interest in EPA's cleanup of the Capitol Hill Anthrax Site. If you have further questions or concerns, please contact me, or your staff may contact Betsy Henry in the Office of Congressional and Intergovernmental Relations at (202) 564-7222.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "Marianne L. Horinko". The signature is fluid and cursive, with a large initial "M" and a stylized "H" at the end.

Marianne L. Horinko  
Assistant Administrator

Enclosure